

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7121**

**BILL NUMBER:** SB 226

**NOTE PREPARED:** Dec 30, 2010

**BILL AMENDED:**

**SUBJECT:** Payment Plan for Driver's License Reinstatement.

**FIRST AUTHOR:** Sen. Miller

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill permits the Bureau of Motor Vehicles (BMV) to implement a payment plan for individuals to pay penalties the payment of which is contingent on reinstatement of driving privileges.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** This bill will increase the workload of the BMV to implement payment plans with individuals who would like to have their license reinstated and can only afford to pay the reinstatement fees over a period of time.

**Explanation of State Revenues:** *Summary:* By implementing penalty payment plans to allow individuals to have their driver's licenses reinstated, this bill may increase state revenue received from driver's license reinstatement fees. An increase in revenue from reinstatement fees will increase revenue to the Motor Vehicle Highway Account and the Financial Responsibility Compliance Verification Fund.

**Additional Information:** This bill will affect individuals who have had their driver's license suspended as a result of failure to maintain financial responsibility. Currently, the first \$30 of each reinstatement fee paid by an individual is deposited into the Motor Vehicle Highway Account (MVHA), while the remaining portion is deposited into the Financial Responsibility Compliance Verification Fund.

The current fees paid to have a driver's license reinstated after suspension (along with the amount that is forwarded to the Financial Responsibility Compliance Verification Fund) for failure to maintain financial

responsibility are as follows:

| <b>Suspension</b>              | <b>Total<br/>Fee</b> | <b>Deposited in the Financial Responsibility<br/>Compliance Verification Fund</b> |
|--------------------------------|----------------------|-----------------------------------------------------------------------------------|
| First Occurrence               | \$150                | \$120                                                                             |
| Second Occurrence              | \$225                | \$195                                                                             |
| Third or Subsequent Occurrence | \$300                | \$270                                                                             |

The total amount of revenue received from license reinstatements that was forwarded to the MVHA and the Financial Responsibility Compliance Verification Fund for FY 2010 was \$6.3 M.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** BMV.

**Local Agencies Affected:** Local agencies that receive MVHA funds.

**Information Sources:**

**Fiscal Analyst:** Bill Brumbach, 232-9559.